

A graphic on the right side of the slide featuring a city skyline at night with several tall buildings illuminated. Overlaid on the skyline are white, glowing lines that connect various points, resembling a network or data flow. The graphic is partially covered by a large green triangle that points towards the bottom right corner.

# Back End Solutions: Why They Control Your Business Outcomes

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Exploring Churn and ARPU's  
Inverse Relationship with  
Operations

## Back End Solutions: Why They Control Your Business Outcomes

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Telecom and cable TV service providers live in an ultra-competitive world where they're continually bombarded with on-the-spot, customer requests and high subscriber expectations. Subscribers are always looking for the best deal with superior service from their voice, video and data providers. It's gotten to the point where it is not an uncommon strategy for subscribers to "jump ship" every year or two and simply go with the best price in town. Simply put, telecoms are all trying to avoid that dreaded five-letter, word...churn.

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At the same time, service providers are under pressure to increase ARPU - Amount of Revenue per User. It is no mystery that, for telecom service providers (SPs), diversifying your service offerings to allow for more revenue touch-points between you and your current subscribers is the quickest way to increase the average Amount of Revenue Per User (ARPU). The more services you have as a telecom service provider the more opportunity there is to sell individual services, right? And ever since the phrase "triple-play" was introduced into the SP marketing vernacular, the industry has been experimenting with different service tiers and bundling campaigns to find the magic combination that appeals to consumers the most.

What affects these business outcomes, churn and ARPU, the most? Back-end operations. Don't believe it? Read on.



Telecom providers have to make certain they offer unique products and services that differentiate themselves from everyone else in their service footprint. This isn't easy when they are faced with operational tasks such as:

- Managing their daily workforce's installs and trouble-tickets
- Troubleshooting their fiber network when outages occur
- Designing and planning network expansion for revenue growth

Not to mention the subscriber must experience zero interruptions in their service and, of course, receive incentives to remain a customer long term. A happy customer is a loyal customer, right?

Telecom providers understand what it costs them to bring a new subscriber on board. So before Steve Subscriber even starts getting billed for service, the telecom has already paid for:

- The cost of marketing to Steve
- The cost of sending a truck and service tech to his home for an install
- The equipment cost for his home (ONT, DVR, cable modem, DSL, etc)

Even after Steve becomes a customer, the margin telecoms make on his monthly bill is only a portion of what is left after they pay the content providers for all the programming he has been watching all month long. In the end, once Steve becomes a customer, one could estimate that telecoms know they have to keep him for at least a year before they can start to really profit from him.

So how does a telecom provider stay competitive while keeping customers happy and, at the same time, grow revenues? When telecoms can accomplish bullet-proof, heightened service assurance, they can then accomplish their revenue assurance goals. In turn, every churn-reducing strategy for a telecom service provider must always focus on uninterrupted service and building a connection and trust with the customer.

### **The 3 Back-End Operational Goals that Affect Churn and ARPU:**

1. Data Access
2. Proactive Work Order Management
3. Customer Service & Satisfaction



## 1. Data Access

### **Make All Necessary Data Available**

When your telecom marketing team is putting together campaigns to increase ARPU, they need access to all real-time subscriber information. These data types includes current customer service consumption habits, customer location, historical service preferences, favorite channel line-ups, payment history, etc. Sometimes this data is scattered across various business systems within a telecom. All of this data can be aggregated into meaningful business intelligence that will target a more personalized experience to offer the customer.

**"One of the challenges providers face is knowing what is going on in real time, every day. Using software to track outages, truck rolls and alarm can turn reactive situations to proactive strategies."**

Brad Hine  
Director, Analytics Solutions  
ETI Software Solutions

### **Make This Data Available Within One Place:**

The amount of work that goes into signing up a new customer for telecom services costs marketing dollars and time. Identifying these customers when there is no previous record or data to reference them means you have to start from scratch. Minimizing these costs is essential to overall ARPU numbers. It is imperative that the system used to "mine" new customers contains all relevant data and intelligence in one place. Having it in only one place will save an enormous amount of time for CSRs and marketing team members during this process.

## 2. Proactive Work Order Management

One of the top challenges of a telecom is being aware of what is going on in their organization, in real time, every day. Use software tools that provide your team with all the data they need to monitor their work to stay on schedule daily. For example, track your fiber network alarms via your OSS/BSS and GIS software. When there are network outages your NOC should know immediately so they can contact the nearest field crew and affected subscribers.

**Be Proactive:** Develop strategies that allow you to stay a step ahead of your customer needs. For example, monitor repeat trouble calls, repeat truck rolls and historical network alarm data. Repeat calls could reveal training deficiencies in your ranks that need addressing. Have customer care follow-ups to ensure trouble tickets have been addressed with a positive result.

**Don't Drop the Ball:** Missed appointments and schedule mishaps on the ground lead to dissatisfied customers. Track your workforce, field crews and work order loads throughout your entire footprint, and through each day. Know when service tickets and installs are complete or if your crews are running ahead of schedule or running into overtime.

### **Take Frequent Inventory of your Hardware Infrastructure and Only Use What You Need:**

Network capacity is in constant flux, and network infrastructure to provide service is costly. For example, only use exactly the number of splitter cards and pigtailed you need in a HUB cabinet to support 80% capacity. Any more and you could be wasting thousands of dollars in unnecessary field hardware per splitter card and per HUB. Do you proactively track the exact hardware and capacity in each HUB cabinet before dispatching field techs? We've all heard stories about unneeded, unused hardware in the field. That hardware can easily add up to tens of thousands of dollars - increasing Capex spending when most of the needs are far below capacity.

**On Demand Device Reclamation:** Are you tracking subscriber disconnects? What does a service tech do when they are missing hardware on their truck they need for a work order? It's important to always be aware of unclaimed equipment and where it is in your service footprint. For example, a reusable ONT is worth a few hundred dollars and may be available on a service tech's daily route without scheduling another, special pick-up. This should be a part of a daily process and is a big Opex reduction.

### 3. Customer Service & Satisfaction

**Proactively Track Your Most Loyal Customers:** You will never find a better marketing strategy than the positive feedback and stories that come from your long-term subscribers. Chances are high that customers that have a 3-year or more service history with you have allowed you a greater indirect margin with regards to Opex. You've proactively prepared to support them well, and you've spent fewer dollars in Capex infrastructure because of them. For example, giving them a promotional sign for their front yard helps to reduce the expense of your sales team trying to target their neighbors directly. Allow the customer to work for you, then reward them with special promos when they save you this expense.

**Contact Your Customers Regularly:** As a telecom provider, you own all the contact info of every customer in your footprint, so let them know that you care about that relationship. Use your data to develop campaigns around loyal customers, incentivize them to become your advocate with promotions and be sure to thank them by phone, email or direct mail.

#### **Start With Marketing To The "Low Hanging Fruit:"**

As is the case with every current and mature telecom service provider business, you already have a subscriber list to access. Your current subscribers are the best place to start your APRU growth campaign. Because they are your customers, you already track all their necessary information to give them the best, most affordable way to increase their services. You have knowledge of the personal analytics that help build this customer's profile. Current subscribers cost fewer marketing dollars to build campaigns around and to identify potential bundle upgrades.

#### **And finally ...**

Do you have the software tools and daily business processes in place to enhance the customer experience and reduce expenses across your footprint? Do you need processes and data under one pane of glass for simplicity and efficiency? [Click here to read how ETI customers have done just that.](#)

#### **About ETI:**

ETI's Service Management Platform automates all of these functions, or, at minimum, makes it much easier to address them since it has all the data and features necessary to control service delivery. Starting with auto-discovery, ETI eliminates the need for a design-and-assign function because the network will tell us where the ONT is located. Once the address of the ONT is known, it handles all service activation and management simply by having users – either hands-on through the user interface or through its Northbound Interface – change the services assigned to a customer. All the technical issues related to ONT port activation, VLAN assignments, ONT firmware, IP addresses, etc. are managed under the covers by Vision OSS based on the Service Provider's target configuration.

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